



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

June 22, 2006

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPLICATION HOSTING AND PROFESSIONAL SERVICES FOR
THE RESIDENT PHYSICIAN INFORMATION SYSTEM
(All Districts – 3 Votes)**

CIO RECOMMENDATION: APPROVE ☒ APPROVE WITH MODIFICATION ()
DISAPPROVE ()

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the enclosed Agreement with Verinform Systems, Inc., for application hosting and professional services to support the web-based Resident Physician Information System for professional services for the Department of Health Services (DHS). This Agreement provides for management of the application hardware and Verinform's proprietary technology software, database software and maintenance, system security, and customer call support. The contract sum is in the amount of \$42,000 for the first year with an optional second year at \$42,000 and additional training and services of \$14,800, for at a total contract sum of \$98,800.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The goal of this action is to insure uninterrupted availability of the DHS' web-based Resident Physician Information System, which will meet the accreditation requirements set forth by the Accreditation Council for Graduate Medical Education (ACGME) for one hundred twenty-seven (127) Los Angeles County resident physician training programs.

In April 2004, DHS posted a Request for Proposal (RFP) to solicit services from any vendor qualified to bid. Verinform Systems Inc. had one other competitor who failed to meet the manpower and technological requirements needed for a successful implementation. DHS acquired the rights to use Verinform's Resident Physician Information System in August 2004 under Purchase Order No. Q42469 (the "Purchase Order"). Verinform began the process of software installation and implementation at that time. The Purchase Order provided funding for the Verinform Software Licensing

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Agreement, maintenance for five (5) years, and funding for implementation and training for one (1) year. At the time of software implementation, Verinform agreed to host the web-based application from its Oregon headquarters to ensure a timely Department-wide installation. At the same time, DHS was tasked with building the internal supporting technical infrastructure for hosting the application in-house. Currently, DHS has insufficient in-house technical capability to host this web-based application. Suspension of Verinform's hosting services prior to handover to DHS would have withdrawn total support for more than two thousand (2,000) users. The cost for Verinform to host this application over the internet is far less than the cost of acquiring technical system management staff and in-house resources. Professional services are required to cover management of the application hardware and technology software, database software and maintenance, system security and customer call support.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This request is consistent with Goal 3: Organization Effectiveness of the Los Angeles County Strategic Plan and DHS' Five Year Implementation Plan Objective Number 6, "Increase IS and Telecommunication Efficiencies".

FISCAL IMPACT

Funding for this Agreement is included in the FY 2006-07 proposed budget and will be requested in future years. There is no increase in budgeted net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The attached agreement has been approved as to form by County Counsel.

The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply.

CONTRACTING PROCESS

This Sole Source Agreement is based on the fact that Verinform Systems, Inc. is the owner of the proprietary software that constitutes the system and, the reduced costs for these application software services are cost effective. In July 2004, a purchase order was executed with Verinform Systems, Inc., to purchase the unlimited software license and limited professional services. This agreement is effective until July 31, 2009. On May 3, 2005, the purchase order was amended to expand training for new system users. Advance notification of our intent to enter into a Sole Source Agreement with Verinform Systems, Inc., was provided to your Board on May 12, 2006.

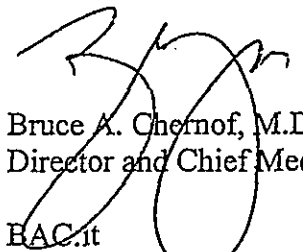
IMPACT ON CURRENT SERVICES (or Projects)

In continuing to use Verinform Systems, Inc., to host the Resident Physician Information System application over the internet, DHS will not experience any disruption in system availability from moving the application to a new hosting site or incur additional cost for acquiring in-house system management staff, hardware and other support resources. Timely and complete resident information will allow faculty and staff to address the physician training program accreditation requirements in real-time.

CONCLUSION

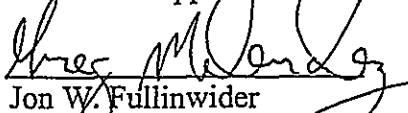
Upon approval by the Board of Supervisors, this Department requires three signed copies of the Board's action.

Respectfully Submitted,


Bruce A. Chernof, M.D.
Director and Chief Medical Officer
BAC.it

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

Noted and Approved:


Jon W. Fullinwider
Chief Information Officer

6/20/2006
Date

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

An Agreement with Verinform Systems Inc., to provide professional services for application hosting and training for the Department of Health Services' Resident Physician Information System.

2. AGENCY ADDRESS AND CONTRACT PERSON:

Verinform Systems, Inc.
2120 SW Jefferson Street, Suite 200
Portland, OR 97201
Attention: Kit Johnson, President and Chief Financial Officer
Telephone: (503) 231-89112 x102

3. TERM:

The term of the agreement will become effective upon Board approval and shall continue for one year, with one optional extension period of one year by giving written notice to Contractor at least thirty (30) days prior to the Agreement expiration date.

4. FINANCIAL INFORMATION:

Funding is included in the Fiscal Year 2006-2007 proposed budget. There is no increase in budgeted net County cost.

5. ACCOUNTABILITY FOR PROGRAM:

Lewis Lewis, Office of the Acting Senior Medical Director,
Clinical Affairs and Affiliations
Telephone No.: (213) 240-7953

6. APPROVALS:

- | | |
|---|--------------------|
| a. Acting Senior Medical Director | William Loos, M.D. |
| b. Office of the Chief Information Officer | Paul Fu, Jr., M.D. |
| c. Chief, Contracts and Grants Division | Cara O'Neill |
| d. Controller's Division | Efrain Munoz |
| e. Chief Administrative Office (CAO) (Budget Unit) | Josie Jaramillo |
| f. Principal Deputy County Counsel | Jose Silva |
| g. Director of Finance (approve as to availability of funds only) | Gary W. Wells |

CIO ANALYSIS

AGREEMENT WITH VERIFORM SYSTEMS, INC. AND DEPARTMENT OF HEALTH SERVICES FOR HOSTING THE RESIDENT PHYSICIAN INFORMATION SYSTEM (All Districts) (3 Votes)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term Yrs: 1 # of Option Yrs 1

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Bruce A. Chernof, M.D., Acting Director and
Chief Medical Officer

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$ 98,800
Aggregate Contract Amount	\$ 98,800

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan? The 2006/2007 BAP does not reference this Agreement.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)? Not required.

Project/Contract Description:

The Department of Health Services (DHS) is requesting your Board to approve the enclosed Agreement with Verinform Systems, Inc. (Verinform). The Agreement will allow DHS to continue the use of Verinform's hosted web-based Resident Physician Information System and receive related training and support services from Verinform without service interruption.

Under this Agreement, Verinform will provide the following services:

1. Continue to host the web-based Resident Physician Information System for DHS and provide on-line access to track 127 Los Angeles County resident physician training programs. The system will meet the accreditation requirements set forth by the Accreditation Council for Graduate Medical Education (ACGME).
2. Provide professional services, phone support, and training for DHS staff.

The contract sum is in the amount of \$42,000 for the first year with an optional second year at \$42,000 and additional training and services of \$14,800, for a total contract sum of \$98,800.

Background:

DHS acquired the Verinform's Resident Physician Information System in August 2004 under Purchase Order No. Q42469. Verinform has been hosting the web-based application from its Oregon headquarters over the Internet in anticipation of a system handover to DHS.

DHS has not been successful in building the internal technical infrastructure needed to host the application in-house due to insufficient internal technical capability. Suspension of Verinform's hosting services prior to handover to DHS would impact more than 2,000 users.

To date, DHS spent \$1,213,670 (Purchase Order No. Q42469) to pay for the software licenses, software setup, training, and five (5) years of software maintenance.

Project Justification/Benefits:

Approval of this Agreement will allow DHS to continue using the web-based hosted solution from Verinform. DHS will evaluate the benefits of hosting the application in-house during the first year of this Agreement and will decide if extending the Agreement for another year is in the County's best interest.

Project Metrics:

This Agreement is for hosting the existing web-based Resident Physician Information System and the metric is that the system will continue to operate reliably.

Alternatives Considered:

No other alternatives were considered. DHS selected Verinform to ensure continuing the on-line services without interruption and for Verinform's extensive knowledge in supporting and upgrading their proprietary software.

Project Risks:

None

Risk Mitigation Measures:

None

Financial Analysis:

Funding for this Agreement is included in the FY 2006-07 proposed budget and will be requested in future years. There is no increase in budgeted net County cost.

The contract sum is in the amount of \$42,000 for the first year with an optional second year at \$42,000 and additional training and services of \$14,800, for a total contract sum of \$98,800. An additional \$48,420 was previously paid under Purchase Order No. Q42469 for annual software maintenance.

CIO Concerns:

None

CIO Recommendations:

The CIO recommends Board approval.

CIO APPROVAL

Date Received: 6/6/2006

Prepared by: Khaled Tawfik 

Date: 6/19/2006

Approved: 

Date: 6/19/2006

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Lewis Lewis, Office of the Acting Senior Medical Director,
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6. APPROVALS:

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b. Office of the Chief Information Officer	Paul Fu, Jr., M.D.
c. Chief, Contracts and Grants Division	Cara O'Neill
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e. Chief Administrative Office (CAO) (Budget Unit)	Josie Jaramillo
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